

1 **Ontario Energy Board (Board Staff) INTERROGATORY #10 (KEMA Report)**

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3 **Interrogatory**

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5 Under the circumstance that neither the incumbent or applicant distributor is capable of
6 serving a new load consumer without investment, would the implications of uncertain
7 service areas (as set out on pages 6 to 8) still arise? Please explain your response.
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10 **Response**

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12 Yes. Under the circumstance that neither the incumbent nor applicant distributor is
13 capable of serving a new load consumer without investment, the implications of uncertain
14 service areas would still arise. As discussed in the response to Question 2, the incumbent
15 would still experience the consequences of increased uncertainty in preparing its load
16 forecast and capital construction plan due to an undefined service area as well as the loss
17 of future consumption units which would result in, among other things, higher average
18 costs to remaining customers. The incumbent would also face uncertainty of service
19 obligation – who is responsible for serving the customer? And what implications
20 (including cost) are there from that obligation? For example, would the incumbent have
21 been expected to plan for and make investments upstream of the new customer? The
22 consequences of the planning uncertainty are not specifically related to the incremental
23 costs associated with serving the load of any new customers.
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